

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

Royal American Mortgage Inc.
8897 Edgewood Park Drive
Commerce Township, Michigan 48382,

Enforcement Case No. 07-5143

License No.: FL-0565,

Robin J. Perry, President,

Respondent.

Issued and Entered,
This 19th day of September, 2009,
By Stephen R. Hilker,
Chief Deputy Commissioner

CONSENT ORDER REVOKING
MORTGAGE BROKER, LENDER, AND SERVICER LICENSE

Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Regulation ("OFIR") in this matter, the Commissioner states as follows:

1. The Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, and the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), 1987 PA 173, as amended, MCL 445.1651 *et seq.*
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.
4. All applicable provisions of MAPA have been met.

5. Royal American Mortgage Inc. ("Respondent") is alleged to have violated MCL 445.1652(4), MCL 1671(1)-(2), MCL 445.1672(a), and MCL 445.1673(1).

NOW THEREFORE, based upon the parties' Stipulation to Entry of Consent Order and the facts surrounding this case, **IT IS ORDERED THAT:**

1. The Stipulation to Entry of Consent Order submitted by the parties to the Chief Deputy Commissioner is hereby **ACCEPTED**.


2. Respondent shall **CEASE AND DESIST** from violating MCL 445.1652(4), MCL 1671(1)-(2), MCL 445.1672(a), and MCL 445.1673(1).

3. Respondent's first mortgage broker, lender, and servicer license issued pursuant to provisions of the MBLSLA shall be and hereby is **REVOKED**.

4. Respondent shall immediately deliver to OFIR its original mortgage broker, lender, and servicer license certificate.

5. The Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as he shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA. Failure to abide by the terms and conditions of the Stipulation to Entry of Consent Order and this Order, may result in the commencement of additional proceedings.

IT IS SO ORDERED.



Stephen R. Hilker
Chief Deputy Commissioner

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Respondent.

STIPULATION TO ENTRY OF CONSENT ORDER

Royal American Mortgage Inc. ("Respondent") and the Office of Financial and Insurance Regulation ("OFIR") hereby stipulate and agree to the following:

1. On or about June 12, 2007, a Notice of Opportunity to Show Compliance ("NOSC") was issued by OFIR to Respondent in the above entitled matter pursuant to the provisions of the Michigan Administrative Procedures Act ("MAPA"), MCL 24.201 *et seq.*, and the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), 1987 PA 173, as amended, MCL 445.1651 *et seq.*
2. The NOSC contained allegations that Respondent violated the MBLSLA and set forth the applicable laws and penalties which could be taken against Respondent.
3. Respondent did not exercise its opportunity to show compliance at an informal conference with OFIR as offered in the NOSC.
4. On August 1, 2008, a receiver, Joseph Whall, was appointed over Respondent by order of Judge Gershwin Drain of the Wayne County Circuit Court, in the matter entitled *Johnston et al v Royal American Mortgage, Inc., et al*, Case No. 08-113688-CZ, as described in

more detail in a letter from Mr. Perry's counsel to OFIR dated September 23, 2008 ("Wayne County Lawsuit").

5. On September 30, 2008, in accordance with appropriate provisions of the MBLSLA, OFIR issued to Respondent, by and through Mr. Perry, a Notice of Intention to Revoke License ("NOIR"). The NOIR informed Respondent of its right to a hearing if requested within 20 days.

6. Within 20 days of September 30, 2008, Respondent, by and through counsel for Mr. Perry, contacted OFIR and indicated its desire to resolve this matter.

7. On October 15, 2008, Mr. Perry's counsel sent the receiver, through counsel, a copy of the Commissioner's NOIR, and informed him that Mr. Perry is consenting to the issuance and entry of an order of the Commissioner revoking Respondent's license held under the MBLSLA.

8. OFIR and Respondent, by and through Mr. Perry and the court-appointed receiver, have conferred for purposes of resolving this matter and determined to settle this matter pursuant to the terms set forth below. Neither Respondent nor Mr. Perry admit nor deny any of the allegations herein, nor in the NOIR, nor in the Consent Order Revoking Mortgage Broker, Lender, and Servicer License. Respondent, by and through its court-appointed receiver, and Mr. Perry execute this Stipulation of Entry of Consent Order ("Consent Order") only to avoid the cost and burden of protracted administrative proceedings. The allegations herein are not binding on Mr. Perry or Respondent in the pending Wayne County Lawsuit.

9. The Commissioner of OFIR ("Commissioner") has jurisdiction and authority to adopt and issue this Consent Order, pursuant to the MAPA and the MBLSLA.

10. At all pertinent times, Respondent was licensed with OFIR as a mortgage broker, lender, and servicer pursuant to the MBLSLA.

11. The following facts were alleged in the NOSC and the NOIR:

- a. Prior to August 1, 2008, Respondent paid independent contractors or unlicensed entities for regulated mortgage transactions, in violation of MCL 445.1652(4).
- b. Prior to August 1, 2008, Respondent failed to maintain adequate books and records of its business to enable the commissioner to

determine compliance with the MBLSLA, in violation of MCL 445.1671(1).

- c. Prior to August 1, 2008, Respondent failed to preserve and keep available for examination by the commissioner all books, accounts, records, and documents pertaining to Respondents business, in violation of MCL 445.1671(2).
- d. Prior to August 1, 2008, Respondent failed to conduct business in compliance with applicable law, in violation of MCL 445.1672(a).
- e. Prior to August 1, 2008, Respondent charged nineteen borrowers fees for their credit report that exceeded the actual expense incurred for their credit report, in violation of MCL 445.1673(1).

12. Respondent agrees that it shall CEASE AND DESIST from any and all violations of the statutes, rules, and regulations identified in paragraph 11 of this stipulation.

13. Respondent agrees that its first mortgage broker, lender, and servicer license issued pursuant to provisions of the MBLSLA shall be REVOKED by the Commissioner.

14. The procedural requirements of the MAPA and the MBLSLA have been complied with in all respects by both parties.

15. Respondent understands and agrees that this Stipulation will be presented to the Chief Deputy Commissioner for approval. The Chief Deputy Commissioner may in his sole discretion, decide to accept or reject the Stipulation and Consent Order. If the Chief Deputy Commissioner accepts the Stipulation and Consent Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Consent Order. Further, in consideration of the terms and conditions set forth herein, Respondent voluntarily waives and gives up any and all right that it may now or hereafter have to administrative or judicial review concerning entry of the attached Commissioner's Order in this matter. If the Chief Deputy Commissioner does not accept the Stipulation and Consent Order, Respondent waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing.

16. The failure to abide by and fully comply with the terms and conditions of this

Stipulation and Consent Order may, at the discretion of the Commissioner, result in further administrative compliance actions.

17. The Commissioner has jurisdiction and authority under the provisions of the MAPA and the MBLSLA to accept this Stipulation to the Entry of Consent Order and to issue a Consent Order resolving these proceedings.

18. Respondent and Mr. Perry have had an opportunity to review this Stipulation and the accompanying Consent Order and have same reviewed by legal counsel.

ROYAL AMERICAN MORTGAGE INC.

By: Joseph Whall
Its: Receiver

Dated

ROBIN PERRY

By: Robin Perry

Dated:

OFFICE OF FINANCIAL AND
INSURANCE REGULATION

By: James Westrin
Staff Attorney

Dated

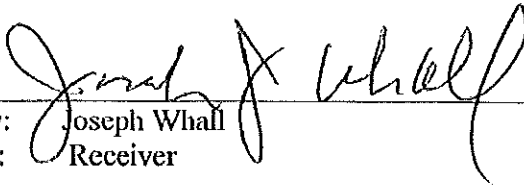
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Stipulation and Consent Order may, at the discretion of the Commissioner, result in further administrative compliance actions.

17. The Commissioner has jurisdiction and authority under the provisions of the MAPA and the MBLSLA to accept this Stipulation to the Entry of Consent Order and to issue a Consent Order resolving these proceedings.

18. Respondent and Mr. Perry have had an opportunity to review this Stipulation and the accompanying Consent Order and have same reviewed by legal counsel.

ROYAL AMERICAN MORTGAGE INC.

By: 
Its: Joseph Whall
Receiver

5-28-09
Dated

ROBIN PERRY

By: Robin Perry

Dated:

OFFICE OF FINANCIAL AND
INSURANCE REGULATION

By: James Westrin
Staff Attorney

Dated

BHLIB:632224.3\137486-00001